



**Port O'Connor Improvement District
39 Denman Drive
Port O'Connor, Texas 77982**

**MINUTES
Special Meeting of Board of Directors
Wednesday, November 28, 2018 at 1:00 p.m.**

The Board of Directors of the Port O'Connor Improvement District ("POCID") held a Special Meeting on Wednesday, November 28, 2018, at 1:00 p.m. at the District Office, 39 Denman Drive, Port O'Connor, Texas.

A. CALL TO ORDER. Erny McDonough called the meeting to order at 1:00 p.m. and announced that a quorum was present.

DIRECTORS PRESENT: Erny McDonough, Maria Denney, Mike Clifton, Danny McGuire
DIRECTORS ABSENT: David Randolph

OTHERS PRESENT: Dorothy Palumbo, General Counsel, Bojorquez Law Firm
John Mercer, District Engineer

B. DISCUSSION WITH LASALLE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1A

1. Discussion with the Board of Directors of the LaSalle Water Control and Improvement District No. 1A concerning Interlocal Agreement with the Port O'Connor Improvement District for Operations and Maintenance Services dated June 14, 2006, as amended.

President McDonough and Director McGuire met with LaSalle representatives on Monday November 26, 2018 to discuss resolution to Operation and Maintenance agreement issues and past due amounts.

Sandra Witte stated that LaSalle currently has 98 houses and she reviewed the flushing policy and request for information for TCEQ compliance. Discussion of monthly water usage for LaSalle and the use of blended water and GBRA proposed capital improvements.

The Bookkeepers will review information for past due amounts and will bring back to the Board.

Draft Regional Agreement will be negotiated over the next six months and a draft 23rd Interlocal Agreement for Operation and Maintenance of LaSalle by POCID will be on the next agenda.

- B. PUBLIC COMMENTS. At this time, any person with business before the Board not scheduled on the agenda may speak to the Board. No formal action can be taken on these items at this meeting.

Red Childress: Discussed need for R.O system

Teddy Haas: Does not agree with use of proposed bond money for smart meters and should be used for system repairs. Asked if proposed bond money can be used for the R.O. unit. Stated that the new GBRA system will cost POCID customers.

Steve Baczeski: Stated that there was a contractor's sign in the ditch by Bryers and Harrison.

- C. CONSENT AGENDA: *The following items are anticipated to require little or no individualized discussion due to their nature being clerical, ministerial, mundane or routine. In an effort to enhance the efficiency of POCID Board meetings, it is intended that these items will be acted upon by the POCID Board with a single motion because no public hearing or determination is necessary. However, a POCID Board Member or citizen may request separate deliberation for a specific item, in which event those items will be removed from the consent agenda prior to the POCID Board voting on the consent agenda as a collective, singular item. Prior to voting on the consent agenda, the POCID Board may add additional items that are listed elsewhere on the same agenda.*

1. Appoint Evangelina Trevino as the Records Retention officer.
2. Approve increase in pay of \$3.00-5.00 per hour for Charles "Cole" Lilly who has a CSI license, "C" surface water license and is pursuing a "C" waste water license.
3. Authorize the President to execute a Continuing Disclosure agreement with Hilltop Securities Inc. for the Port O'Connor Improvement District.

DISCUSSION: Evangelina has been taking training and can serve as the Records Retention officer. District Operator Cheek stated that he would like an increase of \$ 3.00 per hour for Charles "Cole" Lilly at the next pay period and then when he achieves the Class C license for wastewater, to increase the pay another \$2.00 per hour. General Counsel explained the need for the Continuing Disclosure Agreement.

MOTION: Danny McGuire

SECOND: Maria Denney

To approve the consent agenda and with the increase in pay for Charles "Cole" Lilly at \$ 3.00 per hour for Charles "Cole" Lilly at the next pay period and then when he achieves the Class C license for wastewater, to increase the pay another \$2.00 per hour.

APPROVED: 4-0

D. CONSIDER AND TAKE APPROPRIATE ACTION ON THE FOLLOWING:

1. Select a Director to approve applications for a Hardship in accordance with District Policy.

DISCUSSION: The Board reviewed the Hardship Policy.

MOTION: Maria Denny

SECOND: Mike Clifton

To select Director McGuire as the Director to approve Hardship applications.

APPROVED: 4-0

2. Discuss future staffing plan. (District Operator)

DISCUSSION: District Operator Cheek requested the authority to hire 2 additional employees. He requested that the title for the additional personnel would be Assistant Operators to assist the Wastewater Specialist and the Water Specialist. The salary per hour would be \$12.00 with an increase after 90 days of the probationary period to \$15.00.

MOTION: Danny McGuire

SECOND: Erny McDonough

To authorize the District Operator to hire 2 additional employees as Assistant Operators to assist the Wastewater Specialist and the Water Specialist with the salary per hour at \$12.00 per hour with an increase after 90 days of the probationary period to \$15.00 per hour.

APPROVED: 4-0

3. Discuss sending a Director and District Engineer to meet with GBRA or attend GBRA meetings. (Director McGuire)

DISCUSSION: The Board discussed the GBRA proposed improvements and the options for POCID to use blended water. The TCEQ permit will be researched to determine if the permit expired. District Engineer and District Operator to report the status at the next meeting. The Board requested that staff contact GBRA to attend the next meeting for a presentation of the GBRA proposed improvements. The Board discussed sending a Director and District Engineer to meet with GBRA and/or attend GBRA meetings.

MOTION: Maria Denney

SECOND: Mike Clifton

To authorize Director McGuire and the District Engineer to meet with GBRA and/or attend GBRA meetings.

APPROVED: 4-0

4. Discuss change of meeting times to meeting in evenings so citizens can attend (Director McGuire)

DISCUSSION: Citizens have requested a change to meeting in the evening.

MOTION: Mike Clifton

SECOND: Danny McGuire

To move the regular meeting date and time to the third Tuesday in the month at 6:00 p.m. starting with the January 2019 meeting.

APPROVED: 4-0

5. Discuss reason wells were shut off and resulting increase in demand charge (Director McGuire)

DISCUSSION: The District Operator stated that he did not have information on when and why the wells were shut off. The Board discussed the GBRA proposed improvements and the options for POCID to use blended water. The TCEQ permit will be researched to determine if the permit expired. District Engineer and District Operator to report the status at the next meeting.

NO ACTION

6. Discuss options for posting to Facebook.

DISCUSSION: The Board discussed options for posting on Facebook and the need to put information out to the citizens. Staff will research options and bring back at a future meeting.

NO ACTION

7. Discuss and take action on water service and billing for J.R. Lange.

DISCUSSION: Office Manager Trevino explained that the water at Mr. Lange's property was tested and the test was fine. Mr. Lange had requested a waiver of three months of billing.

NO ACTION. Officer Manager to contact Mr. Lange that the wavier of three months of billing was not approved.

8. Request for expenditure of up to \$75 for gasoline jackets for employees to be purchased from Unifirst. (District Operator)

DISCUSSION: District Operator Cheek presented the need for gasoline jackets with protection for the winter.

MOTION: Danny McGuire

SECOND: Maria Denney

To authorize an expenditure of gasoline jackets and have protection included for employees to be purchased from Unifirst.

APPROVED: 4-0

E. RULES, REGULATIONS AND POLICY STATEMENTS **

1. Discuss and possible action on reviews and revisions and updates to existing Rules and Regulations, including but not limited to meter rereads, boring required for customer connections.

DISCUSSION: Current rules allow a \$25.00 charge for meter rereads.

NO ACTION. Customers requesting rereads will be charged \$25.00 per reread.

Boring required for customer connections in the rules needs to be clarified. District Operator will bring back item at the next meeting and provide costs for boring.

- F. EXECUTIVE SESSION. The Board convened into executive session at 3:43 p.m. The Port O'Connor Improvement District may consider in Executive Session any of the identified items posted on the agenda pursuant to the following exceptions:

Texas Government Code Ann. § 551.071: Consultation with Attorney
Texas Government Code Ann. § 551.072: Real Property
Texas Government Code Ann. § 551.074: Personnel Matters

Consultation with General Counsel pursuant to Texas Government Code Section 551.071, Consultation with Attorney, on pending or contemplated litigation; or a settlement offer; or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Texas Government Code Chapter 551 for the purpose of receiving legal advice concerning status of pending projects, including but not limited to:

1. *USW Utility Group v Port O'Connor Improvement District*: Cause No. 2018-CV-3268-DC, pending in the 24th Judicial District Court, Calhoun County, Texas.
2. Interlocal Agreement between the Port O'Connor Improvement District and LaSalle Water Control and Improvement District No. 1A for Operations and Maintenance Services dated June 14, 2006, as amended and past due amounts owed to POCID.
3. Consultation with General Counsel pursuant to Texas Government Code 551.071, Consultation with Attorney, on pending or contemplated litigation; or a settlement offer; or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Texas Government Code Chapter 551 for the purpose of receiving legal advice concerning status of past or pending projects, including but not limited to meter rereads, required boring for customer connections, TWDB Project 21750, TCEQ Bond, Defined Area 1 agreements, Public Information Act requests, Record Retention requirements, Port O'Connor Improvement District Board member Conflicts of Interest and Port O'Connor Improvement District Code of Conduct; Potential Conflict of Interest with generator RFP; Port O'Connor Improvement District Board member contact with former attorneys for the Port O'Connor Improvement District or other attorneys not representing the Port O'Connor Improvement District; Port O'Connor Improvement District Board member requests for legal services; and TCEQ compliance.

- G. TAKE ANY ACTION AS A RESULT OF EXECUTIVE SESSION. The Board reconvened from Executive Session at 4:43 p.m.

1. *USW Utility Group v Port O'Connor Improvement District*: Cause No. 2018-CV-3268-DC, pending in the 24th Judicial District Court, Calhoun County, Texas.
2. Interlocal Agreement between the Port O'Connor Improvement District and LaSalle Water Control and Improvement District No. 1A for Operations and Maintenance Services dated June 14, 2006, as amended and past due amounts owed to POCID.

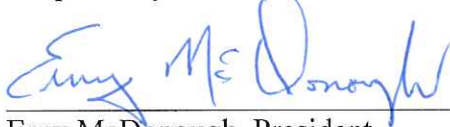
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H. ITEMS FROM BOARD MEMBERS (Note: Board members may request specific information, recitation of existing policy, or placement of items on the Agenda for discussion at a later meeting.)

1. Discuss date for TMLIRP to present rerate. Staff to contact TMLIRP for presentation at January meeting. Items to be brought back are the POCID wells, the R.O. system and TCEQ permit status, Boring Rules and costs, PIA charges, and Personnel Policy update for reimbursement of training.

I. ADJOURN. The meeting adjourned at 5:06 p.m.

Respectfully submitted,



Erny McDonough, President



Maria Denney, Secretary

Signed this 13th day of December 2018.

These minutes were approved on December 13, 2018.